

Small Business Procurement Scorecard August 2008

U.S. Office of Personnel Management Input

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1. Implemented strategic plan to increase the number of *competitively* awarded contracts to small businesses during the period.

The Director of the Office of Small and Disadvantaged Business Utilization (DOSDBU) at the U.S. Office of Personnel Management (OPM) will implement a three-pronged strategy for Fiscal Year 2009 to increase the number of competitively awarded contracts to small businesses. This strategy consists of outreach, education, and enforcement, which include the following activities:

a. Outreach

Outreach is a critical component of the DOSDBU's strategy to maximize small business utilization at OPM. The DOSDBU and/or Small Business Technical Advocate (SBTA) in the Contracting Group plan to engage in a wide array of outreach activities, including:

- *National and Local Outreach:* We will participate in SBA's National Small Business Week, as well as other Federal or state government-sponsored outreach opportunities, and attend local and national trade association events, conferences, and procurement seminars, in attempt to reach the maximum number of small businesses we can.
- *Vendor Outreach Sessions:* The SBTA will set aside two hours per week on a regular basis to meet with woman-owned small businesses (WOSB), small disadvantaged businesses (SDB), historically underutilized business zone companies (HUBZone) and service-disabled veteran-owned small businesses (SDVOSB) interested in doing business with OPM.
- *Agency Performance Reports:* We will use the data in the Federal Procurement Data System – Next Generation (FPDS-NG) to generate quarterly reports that convey feedback to the OPM Contracting Group on their small business utilization performance vs. the goals.

b. Education

The OSDBU and/or SBTA will organize and/or participate in various activities aimed at increasing awareness of the small business program and use of tools to increase competitive small business awards:

- *Annual Acquisition Planning Conference:* The OPM Contracting Group hosts an annual acquisition planning conference each spring for all members of its acquisition community. We will use the 2009 conference to focus on increasing the value of contracts awarded to WOSBs, SDBs, HUBZones and SDVOSBs. We will do this by featuring speakers and presentations that assist the OPM acquisition community in readily identifying WOSBs, SDBs, HUBZones, and SDVOSBs as potential sources for our acquisitions.
- *Counsel and Policy Interpretation:* The SBTA will work routinely with agency program and acquisition personnel to provide guidance and policy interpretation of

small business utilization programs (i.e., small business set-aside programs and requirements, market research, small business goals, agency responsibilities, screening and clearance procedures for acquisition less than \$100,000, etc.).

- *Acquisition Strategy Development:* The SBTA will work closely with program offices to develop acquisition strategies that effectively evaluate the market place for small business utilization and the structuring of contract documents to effectively evaluate OPM contractors. In so doing, we will use OPM Contracting Policies No. 7.1, Acquisition Planning, and 19.2, Small Business Participation in OPM Acquisitions.

c. Enforcement

OPM will demonstrate leadership to OSDBU's mission to enforce the agency's small business utilization program, through the following:

- *Compliance with OPM Contracting Policies:* At present, the OPM Contracting Group has implemented four Contracting Policies that impact the agency's ability to meet its small business goals, and a fifth is planned. These are:
 - 1.602-1(b) Review of Contractual Documents: Provides OPM-specific guidance supplementing FAR 1.602-1(b) on review of various contractual documents, and how to request that review. It includes review/approval of relevant documents by the SBTA.
 - 4.602(a) Federal Procurement Data System: Provides OPM-specific guidance to the Contracting Group, supplementing FAR 4.602(a) on entering data in the Federal Procurement Data System (FPDS). Compliance with this policy is critical to monitoring our actual performance against our small business goals.
 - 7.1 Acquisition Planning: Provides OPM-specific guidance to the Contracting Group, supplementing FAR 7.1, on the required form and contents for Acquisition Plans, and how to get them approved. Requires explanation of how small business participation is planned for the acquisition.
 - 19.2 Small Business Participation in OPM Acquisitions: Provides OPM-specific guidance supplementing FAR 19 on all aspects of small business participation, except for subcontracting (FAR 19.7). It sets forth in detail OPM's small business program.
 - 19.7 Subcontracting Plans (planned): Will provide OPM-specific guidance to the Contracting Group, supplementing FAR 19.7 on subcontracting with small businesses.

- *Small Business Goals:* The SBTA will use the data in FPDS-NG to generate quarterly reports that convey feedback to the OPM Contracting Group on their small business utilization performance vs. the goals.
- *Subcontracting Plans:* The SBTA will review all subcontracting plans for contracts to large business that are greater than \$550,000, and approve plans supportive of the OPM goals established with the SBA. The SBTRA will review the Electronic Subcontracting Reporting system (eSRS) and keep the Contracting Group informed of subcontracting performance.

2. Demonstrated top-level Agency commitment to small business contracting during the period.

- a. OPM assigns the position of DOSDBU to a member of senior management no lower than an Associate Director in accordance with FAR 19.209(d)(1) through (3) and OPM Contracting Policy No. 19.2. The Contracting Policy requires that the DOSDBU:
 - i) Be responsible to and report directly to the OPM Director;
 - ii) Be responsible for OPM carrying out the functions and duties in sections 8, 15, and 31 of the Small Business Act.
 - iii) Work with the Contracting Group's Small Business Technical Advisor (see paragraph (1)(b) below) to—
 - A) Identify proposed solicitations that involve bundling;
 - B) Facilitate small business participation as contractors including small business contract teams, where appropriate; and
 - C) Facilitate small business participation as subcontractors and suppliers where participation by small business concerns as contractors is unlikely;
 - iv) Assist small business concerns in obtaining payments under their contracts, late payment, interest penalties, or information on contractual payment provisions;
 - v) Cooperate and consult on a regular basis with the U.S. Small Business Administration (SBA) in carrying out the agency's functions and duties in sections 8, 15, and 31 of the Small Business Act;
 - vi) Make recommendations in accordance with this Contracting Policy as to whether a particular acquisition should be awarded under Subpart 19.5 as a small business set-aside, under Subpart 19.8 as a Section 8(a) award, under Subpart 19.13 as a HUBZone set-aside, or under Subpart 19.14 as a service-disabled veteran-owned small business (SDVOB) set-aside;
 - vii) Conduct annual reviews to assess the—
 - A) Extent to which small businesses are receiving a fair share of Federal procurements, including contract opportunities under the programs administered under the Small Business Act;
 - B) Adequacy of contract bundling documentation and justifications; and
 - C) Actions taken to mitigate the effects of necessary and justified contract bundling on small businesses.
 - viii) Provide a copy of the assessment made under paragraph (1)(a)(vii) of this section to the Agency Head and SBA Administrator.

- b. OPM maintains an SBTA within its Contracting Group in accordance with FAR 19.201(d)(9) and OPM Contracting Policy No. 19.2. The Contracting Policy requires that the SBTA:
- i) Review all actions between with a total estimated value between the micropurchase limit (currently \$3,000) and the simplified acquisition limit (currently \$100,000) that involve the dissolution of the mandatory reservation (set-aside) for small businesses. The SBTA should, whenever possible, add the names of potential small business sources to solicitation mailing lists. Concurrence of the SBTA in dissolution of a set-aside will be evidenced by signature of the SBTA of the Simplified Acquisition Template (see Contracting Policy No. 7.1, Acquisition Planning).
 - ii) Review all procurement requisitions over the simplified acquisition limit to make recommendations regarding set-asides for the small business programs. Bureaus may establish lower review thresholds. The SBTA should, whenever possible, add the names of potential small business sources to solicitation mailing lists. Concurrence of the SBTA in dissolution of a set-aside will be evidenced by the SBTA's approval of the acquisition plan (see Contracting Policy No. 7.1, Acquisition Planning).
 - iii) Review all proposed contracts over the subcontracting plan threshold (currently \$500,000/ \$1,000,000 for construction) to make recommendations for subcontracting possibilities.
 - iv) Review all proposed prime contractors' subcontracting plans, and monitor prime contractor performance of those plans, in accordance with Contracting Policy No. 19.7, OPM's Small Business Subcontracting Program.
 - v) Serve as OPM's primary contact to coordinate with the SBA, other government agencies and the business community on small business matters.
 - vi) Coordinate with the Director of the Contracting Group, Contracting Group staff, and the Competition Advocate to ensure that the small business program objectives are fully integrated into OPM's broad procurement program.
 - vii) Develop and maintain a program to identify small business, HUBZone small business, small disadvantaged, women-owned small business, veteran-owned, and service disabled veteran-owned sources.
 - viii) Assist small business concerns to obtain timely payments, late payment interest penalties, or information due to such concerns per the requirements of 15 U.S.C. 644(k)(6) (See FAR 32.909).
 - ix) Assist Contract Specialists and Contracting Officers to identify small business sources for particular acquisitions.

- x) Participate in the Advance Acquisition Process to determine acquisition strategies, including set-aside possibilities, aggressive subcontracting plans, etc.
- xi) Maintain the currency of OPM's handbook, Contracting Opportunities, and be knowledgeable of OPM's Forecast of Contract Opportunities, to identify potential set-asides and assist vendors in marketing to the appropriate program offices.
- xii) Assist program managers as early as possible in the acquisition cycle to identify potential small business sources, including arranging for and attending marketing presentations by such firms.
- xiii) Verify that solicitations that are total or partial small business set-asides clearly set forth the applicable North American Industry Classification System (NAICS) code and small business size standard.
- xiv) Ensure that financial assistance available under existing regulations is offered (e.g., negotiation of payment due dates, progress payments, advance payments, etc.), and that requests for such assistance by small business offerors are not construed as a handicap in contract awards.
- xv) Upon request, provide to any small business a copy of the solicitation mailing list for any acquisition that might offer subcontracting possibilities. A list of firms responding to the solicitation shall not be provided to any firm.
- xvi) Participate in Government and industry conferences to assist small businesses and promote OPM's acquisition programs upon request of the DSDBU.
- xvii) Advise and counsel small business firms on acquisition matters and assistance available from other Federal agencies, and provide OPM literature to those businesses.
- xviii) Develop the OPM's annual small business goal proposals and negotiate OPM goals with SBA.
- xix) Develop specific program activities and objectives to increase small business participation in the OPM's acquisitions.
- xx) Ensure that OPM's small business program is frequently publicized in the appropriate media. This could include internal newsletters, weekly reports, and activities such as conducting small business program briefings for program personnel.
- xxi) Report any small business contractor performance problems identified by the Contracting Officer promptly to the DSDBU and the SBA Contracting Officer.
- xxii) Provide reports and other information to, or on behalf of, the DSDBU, as required, regarding OPM small business program performance.

- c. OPM's SBTA was a featured speaker at the 2008 Acquisition Planning Conference, and the DOSDBU will be a featured speaker at the 2009 Acquisition Planning Conference. The DOSDBU will focus on the importance of enhancing small business participation in OPM acquisition, emphasizing participation by WOSBs, SDBs, HUBZones, and SDVOSBs.
- d. The DOSDBU and/or SBTA will participate regularly in SBPAC meetings and in meetings of the DOSDBU Interagency Council.

3. Planned significant events to increase small business participation in the procurement process during the period.

a. It is the OPM's policy to engage in a meaningful, aggressive outreach program to assist, counsel, and advise small, HUBZones, SDBs, WOSBs, veteran-owned, and SDVOB concerns on procedures for doing business with the Agency.

Our mission is to:

A) Assist small businesses of all types; including those owned by minorities, women, veterans, service disabled veterans, and those located in historically underutilized business zones, to develop, grow, and ensure their long-term success;

B) Continually foster an environment where these highly skilled suppliers can compete successfully for a fair share of Treasury's procurement on their own merits; and

C) Assist large businesses to increase subcontracting opportunities for small businesses.

b. OPM has developed specific marketing materials and outreach activities to accomplish our mission. Specific outreach activities are highlighted in the following paragraphs.

- *Marketing Materials:*

OPM publishes and posts on its public website a publication specifically designed to help small, HUBZone small, small disadvantaged, woman-owned, veteran owned, and service disabled veteran-owned small businesses in their marketing efforts. This publication is called "Contracting Opportunities for Small Businesses," and provides specific information participation in the Federal acquisition process in general, and in dealing with OPM in particular. It also contains the Forecast of Contract Opportunities described above. The publication is available at: www.opm.gov/procure

- *Vendor Outreach Sessions:*

The SBTA supports small business Vendor Outreach Sessions (VOS), in order to provide the small business community the opportunity to meet with the SBTA to discuss their capabilities and learn of potential procurement opportunities. The SBTA will set aside two hours per week on a regular basis to meet with WOSBs, SDBs, HUBZones and SDVOSBs interested in doing business with OPM.

c. We will participate in SBA's National Small Business Week and other events that allow us to identify small businesses interested in doing business with OPM.

4. Demonstrate that small business data is accurately reported in FPDS-NG during the period.

- a. On September 24, 2007, OPM's Senior Procurement Executive approved, and the Contracting Group implemented Contracting Policy No. 4.602(a), Federal Procurement Data System. A copy of the policy is attached. It governs entry of all data into the Federal Procurement Data System by Contracting Group personnel, and is key to the accurate reporting of small business information. It requires two key methods of assuring accuracy in data entry: (1) Contracting officer review of all data entries at the time they are made; and (2) Annual third-party verification and validation of data entries by OPM's Policy and Internal Control Group (formerly Center for Internal Control and Risk Management).
- b. We have also implemented monthly verification of Federal Procurement Data System data that will be transferred to the new system associated with the Federal Funding Accountability and Transparency Act. This will provide an extra verification and validation of our data, including our small business entries.

5. Demonstrate that policies and procedures are in place to ensure compliance with subcontracting plans and attainment of subcontracting goals during the period.

- a. We will finalize OPM Contracting Policy No. 19.7, The OPM Small Business Subcontracting Program, as a companion to our Contracting Policy on our small business program in general. It will supplement FAR Subpart 19.7 by formalizing the Contracting Group's small business subcontracting program.
- b. We expect that this Policy will continue the practices currently in place, and we will adhere to those practices until the Policy is implemented. These may be described as follows:
 - The Contracting Group uses a small business subcontracting plan template that must be included in all solicitations, in accordance with an OPM-specific clause. The template states our goals for the current fiscal year, and requires large business offerors to provide details on all of their goals and the nature of their subcontracting program. A copy of the template is attached.
 - We evaluate all small business subcontracting plans submitted by large-business offerors to assure that they comply with all requirements of the FAR. If they do not meet our goals, we request explanations from the offeror, and attempt to negotiate as appropriate.
 - We require use of the Electronic Subcontract Reporting System (e-SRS) by all our contractors, and evaluate small business subcontracting reports to assure that they conform to the original plan. We will challenge any reports that fail to meet or exceed planned performance.

6. Demonstrate no unjustified bundling has taken place during the period.

- a. OPM Contracting Policy No. 19.2, Small Business Participation in OPM Acquisition, sets forth a complete anti-bundling strategy. The Policy notes that "bundling has the potential to significantly affect small business participation in OPM acquisitions." It requires that Contracting Officers whenever practicable:

(A) Coordinate all projects that involve bundling with the SBA Procurement Center Representative assigned to Treasury.

(B) For procurements expected to exceed \$100,000, if applicable, utilize the small disadvantaged business price evaluation adjustment (FAR 19.11) and the HUBZone price evaluation preference (FAR 19.13).

(C) For procurements expected to exceed \$500,000, if applicable, consider:

- small disadvantaged business price evaluation adjustment (FAR 19.11)
- HUBZone price evaluation preference (FAR 19.13).
- small disadvantaged business participation factor featuring a factor or subfactor in the evaluation criteria (FAR 19.12).
- making the subcontracting plan a factor or subfactor in the evaluation criteria (FAR 19.7 and DTAR 1019.7).
- for large projects (whether bundling exists or not), include small business participation as a agenda item in pre-proposal conferences.

Our intent with this is to avoid bundling in general, because of its potential to lessen opportunities for participation by small businesses in our acquisition process. All available evidence indicates that we have been successful.

- b. We have awarded no bundled contracts over \$5 million thus far in Fiscal Year 2008. We will use the bundling report feature in FPDS to monitor our bundled acquisitions on a quarterly basis throughout the fiscal year.

**7. Planned training to contracting staff/managers in executing small business/
socioeconomic procurements during the period.**

- a. As mentioned in Item 1 above, we will use the next OPM-wide Acquisition Planning Conference as a training mechanism to provide all acquisition professionals critical information on our small business program, with special emphasis on purchasing from WOBs, SDBs, HUBZones, and SDVOSBs.
- b. We will expand the menu of options currently available on our internal webpage to include relevant information about, and links to, resources of importance in dealing with small businesses.
- c. We will update the guide on our external website to assist small businesses in doing business with OPM.

8. Planned to collaborate with SBA on formulation of small business procurement policy initiatives during the period.

- a. SBA is currently conducting a surveillance review of our small business program. We will use the results of that review to engage in collaboration as appropriate to the findings.
- b. We will continue to give full consideration to all requests from SBA regional offices to use specific 8(a) firms and contract with those firms whenever possible. When we can use companies that SBA suggests to us, we will follow the procedures established in our memorandum of understanding with SBA to assure an efficient and effective contracting process.

9. Agency submits by attachment copies of all strategic plans that became due to SBA during the period.

OPM's Acting DOSDBU has developed the following checklist to ensure that deadlines are met for all required strategic plans and annual reports that are due to SBA. This checklist has been implemented and will ensure that all required strategic plans and annual reports will be submitted to SBA timely.

OPM REPORTS/PLANS CHECKLIST	
REPORT NAME	SCHEDULE
Small Business Innovation Research (SBIR) Annual Report	Agency is not required by regulation to submit this report
Small Business Technology Transfer (STTR) Annual Report	Agency is not required by regulation to submit this report
Competitive Demonstration Program Report	Competitive Demonstration Program Report will be submitted to SBA by January 31st
Annual Report and Fiscal Year Update for Strategic Plan to Contract with Service-Disabled Veteran-Owned Small Businesses (SDVOSB)	SDVOSB Report will be submitted to SBA by January 31st
Annual Contract Bundling Report	Bundling Report will be submitted to SBA by January 31st
Progress Report on Increasing Opportunities for Women-Owned Small Businesses	Progress Report will be submitted to SBA by August Scorecard (FY2009 Plan), January 31st Scorecard (FY2008 Progress)
Corrective Actions to Address Unmet FY 2006 Socio-Economic Goals	Corrective Actions Report will be submitted to SBA by January 31st

Attachments

1. Contracting Policy No. 19.2, Small Business Participation in OPM Acquisitions
2. Contracting Policy No. 4.602(a), Federal Procurement Data System